



Gerrymandering Vietnamese Style:

The Political Motivations Behind the Creation of New Provinces in Vietnam.

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Organization of the Presentation

- Provincial Splitting in Comparative Perspective
- Previous Explanations for the Phenomenon
- My Theory of Political Gerrymandering
- Initial Evidence for Gerrymandering
- ReLogit test of Provincial Separations
- Additional Observable Implications



Comparative Number of Subnational Units

Country	Population (Millions)	Surface Area (Thousands of KM ²)	Total Number of First-Tier Subunits	Median Subunit Population (Millions)	New Provinces Since 1990
<i>Vietnam</i>	<i>80</i>	<i>332</i>	<i>64</i>	<i>1.3</i>	<i>24</i>
Nigeria	133	924	36	2.6	11
Indonesia	212	1,905	33	3.7	7
Thailand	62	513	76	0.6	5
India	1,049	3,287	35	13.8	4
China	1,280	9,598	28	36.3	3
Argentina	36	2,780	23	0.7	1
Russian Republic	144	17,075	89	1.3	0
Mexico	101	1,958	32	2.3	0
Brazil	174	8,547	27	3.1	0
Ukraine	49	602	27	1.4	0

Original Province	Year (1988=40 Units)	New Province 1	New Province 2
Nghia Binh	1990	Quang Ngai	Binh Dinh
Phu Khanh	1990	Phu Yen	Khanh Hoa
Binh Tri Thien	1990/ <i>44Units</i>	Quang Binh	Quang Tri/TT-Hue
Nghe Tinh	1992	Nghe An	Ha Tinh
Hoang Lien Son	1992	Lao Cai	Yen Bai
Ha Tuyen	1992	Ha Giang	Tuyen Quang
Ha Son Binh	1992	Ha Tay	Hoa Binh
Gia Lai - Kon Tum	1992	Gia Lai	Kon Tum
Ha Nam Ninh	1992/ <i>49 Units</i>	Nam Ha	Ninh Binh
Thuan Hai	1992	Binh Thuan	Ninh Thuan
Cuu Long	1992	Vinh Long	Tra Vinh
Hau Giang	1992/ <i>53 Units</i>	Can Tho	Soc Trang
Song Be	1997	Binh Duong	Binh Phuoc
Vinh Phu	1997	Vinh Phuc	Phu Tho
Hai Hung	1997	Hai Duong	Hung Yen
Ha Bac	1997	Bac Ninh	Bac Giang
Nam Ha	1997	Nam Dinh	Ha Nam
Quang Nam-Da Nang	1997	Da Nang**	Quang Nam
Minh Hai	1997	Ca Mau	Bac Lieu
Bac Thai	1997/ <i>61 Units</i>	Bac Can	Thai Nguyen
Lai Chau	2004	Lai Chau	Dien Bien Phu
Can Tho	2004	Can Tho**	Hau Giang
Dak Lak	2004/ <i>64 Units</i>	Dac Lac	Dac Nong

Previous Explanations for Provincial Splitting

- Governing Capacity: A province that is large in surface area or population is too large for one leader.
- Regional Balance: Northern provinces should be favored over the South.
- Culture: Vietnam is returning to borders created before 1954 by the French Governor
- Provincial-Central Relations:
 - New provinces represent the strengthening of provincial governments against the center.
 - Or a weakening of the provinces...



Gerrymandering in Vietnam

“Fragmenting or submerging the voting strength of a group to create districts in which that group will constitute a near certain minority,”

(Groffman, 1985).

- The key divide in Vietnam is between reformers and conservatives in the Vietnamese central government over the role of the state sector in economic development.
- Is it possible that gerrymandering takes place along this dimension? This is the driving theoretical motivation of the paper.

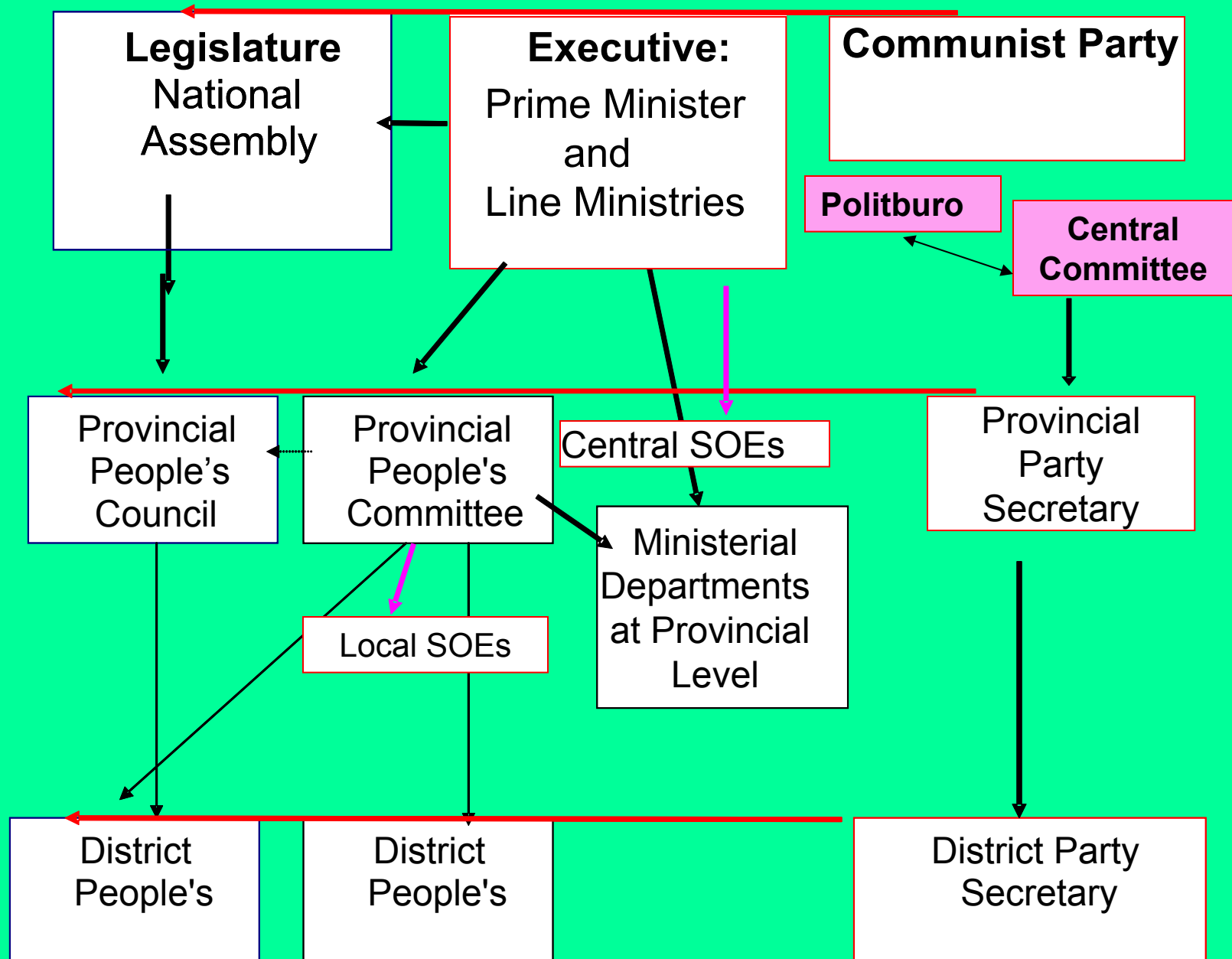


My Theory

- I hypothesize that reformers have improved their voting strength at Central Committee meetings by hiving off private sector dominated provinces from SOE-dominated provinces.
- They have been able to accomplish this by buying-off conservative leaders through pork in the form of infrastructure and construction projects in the new provinces, providing a valuable source of kickbacks for more central leaders.
- The more cabinet officials originating from a province, the more likely it is to be split in order to create non-overlapping patronage channels.



Primer on Vietnamese Political Institutions



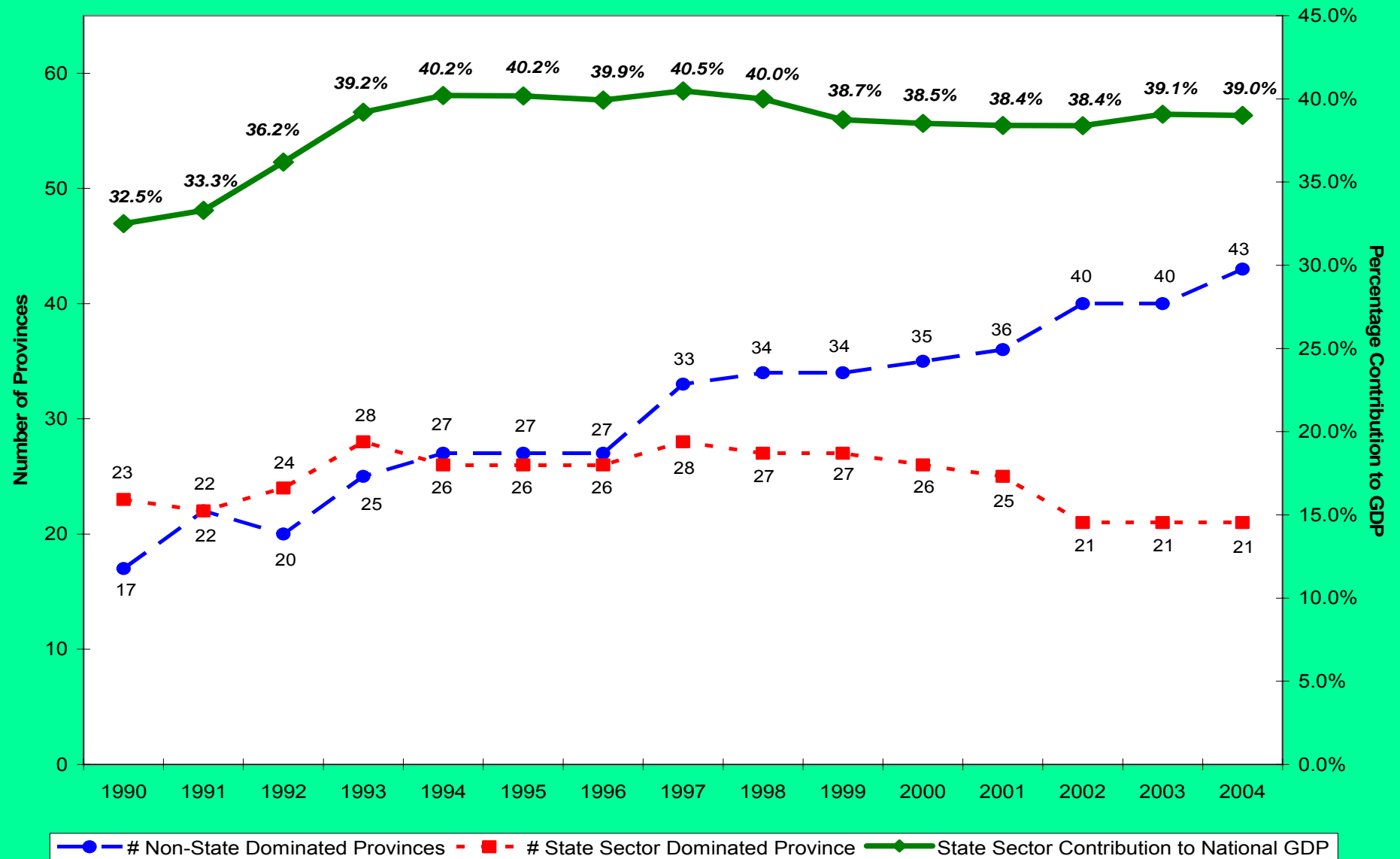
Some Circumstantial Evidence

1. Separations coincide with major debates over the role of state owned enterprises.
2. Number of non-state provinces increases dramatically, while the size of state GDP in output remains the same.
3. Funky gerrymander-like borders that carve-out SOE centers.
4. Anecdotal evidence of separations and their connections with cabinet members.

Political Milestones Coinciding with Provincial Separations

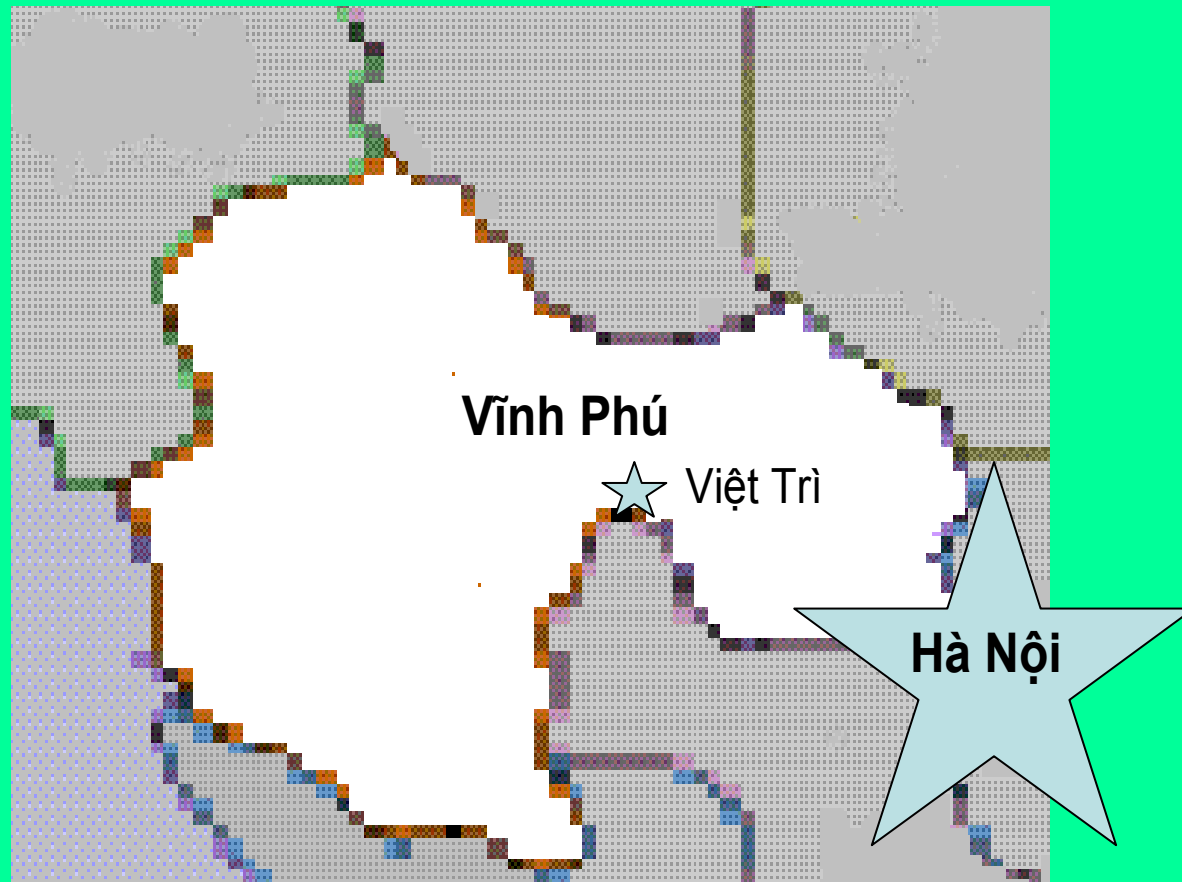
Split	Date	Institution Involved	Main Substantive Issue Discussed at Same Session as Separation
1	June 30, 1989	5th Session of the VIIIth National Assembly	Management of Import-Export Activities
2	August 12, 1991	9th Session of the VIIIth National Assembly	Draft Amendments to the 1980 Constitution
3	December 26, 1991	10th Session of the VIIIth National Assembly	Decree 388 on the Establishment and Dissolution of State Enterprises
4	November 12, 1996	10th Session of the IXth National Assembly	Laws on Foreign Investment and the Promulgation of Legal Documents
5	November 25, 2003	4th Session of the XIth National Assembly	Six Policies to Reform Law on Land and Housing

Share of State Sector and Non-State Sector Dominated Provinces (1990-2004)

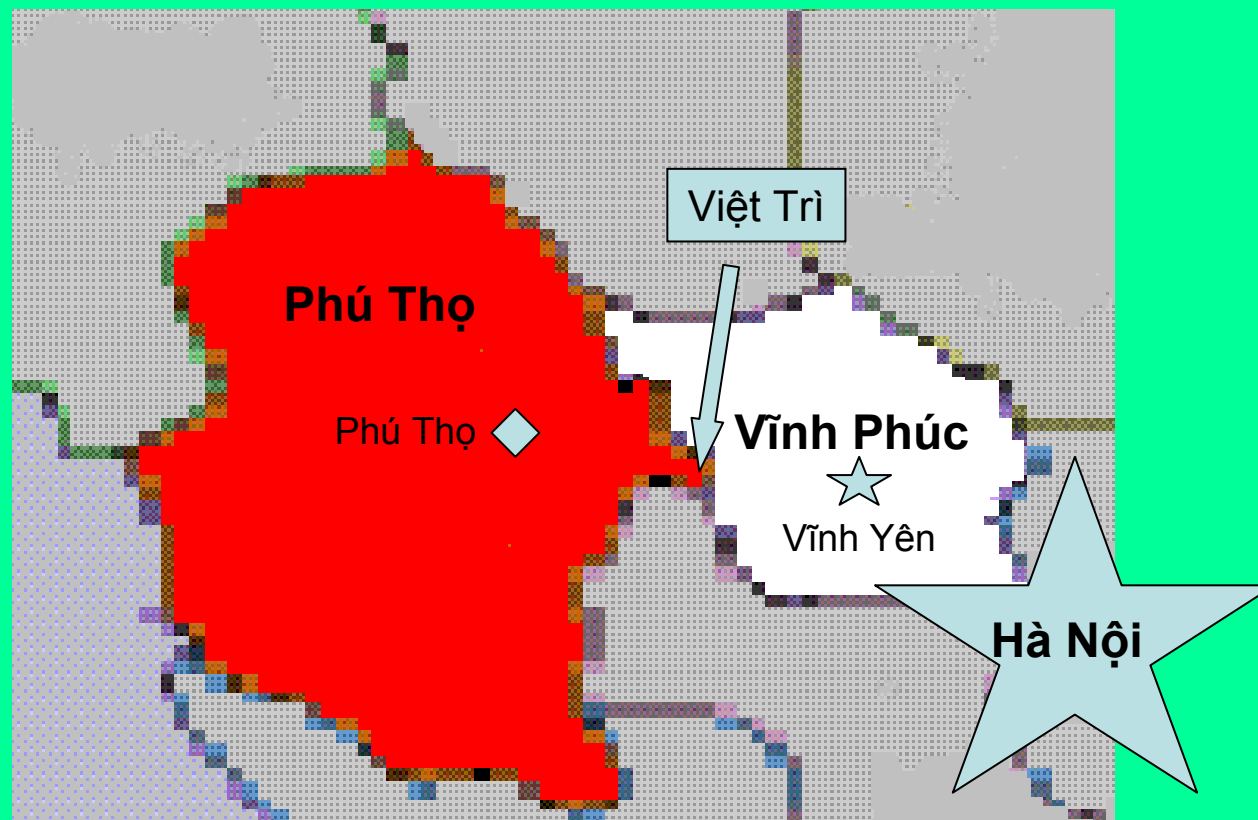


Provincial Splitting Example

Vinh Phu Province in 1996



New Provinces of Vinh Phuc and Phu Tho in 1997



A Closer Look at the Viet Tri-mander



Anecdotal Evidence

- Phan Ngoc Tuong, Minister of Construction, openly supports division of provinces, particularly his home province Binh Tri Thien.
- Da Nang and Bac Ninh created after the VIIIth Party Congress that elevated their compatriots Pham Pham Van Tra and Phan Dien to the Politburo.

Rare Events Logit Test of the Gerrymandering Hypothesis

- **Dependent Variable:** Dichotomous variable measuring whether a province was split between 1989 and 2004. Newly-created provinces become new units in subsequent years.
- **Key casual variable:** The interaction between state sector share of provincial output and the number of provincial compatriots represented in Hanoi on the Vietnamese cabinet.
- **Control variables:** Pollution; Surface Area; Years since Party Congress; Share of agriculture in provinces; Dummy variable measuring whether province has already been split; Dummy variable measuring whether province is at 1954 French borders; Regional dummies; Percentage ethnic minorities; Border with foreign country; and Per capita GDP.

Dependent Variable: Province Split (1 or 0)	ART	Model 1	Model 2	Model 3	Controlling for Minority and Foreign Border
Province the result of previous split (1 or 0)		-1.21 (-1.79)*	-1.16 (-1.56)*	-1.14 (-1.59)*	-1.32 (-1.88)*
Province already at 1965 borders		-2.37 (-2.78)***	-2.31 (-2.87)***	-2.54 (-3.09)***	-1.87 (-1.96)**
Years after Party Congress		-0.43 (-2.44)**	-0.41 (-2.36)**	-0.45 (-2.51)***	-0.46 (-2.77)***
Population (ten thousands)		0.01 (2.27)**	0.01 (2.62)***	0.01 (2.50)***	0.01 (1.62)
Area (thousands of square kilometers)		0.18 (2.97)***	0.19 (3.33)***	0.22 (3.83)***	0.31 (2.62)***
Tonkin		0.57 (1.08)	0.63 (1.02)	0.53 (0.79)	0.28 (0.35)
SOE share of provincial industrial output	-.003 (-0.29)		0.00 (-1.06)	-0.01 (-0.97)	-0.01 (-0.85)
Number of provincial compatriots presently serving in Cabinet	-.499 (-1.01)		-0.11 (-0.37)	-1.89 (-2.38)**	-1.84 (-2.21)**
Interaction between SOE share and Cabinet members	0.17 (1.86)*			0.04 (2.55)***	0.04 (2.36)**
Constant	-3.54 (-5.73)***	-4.20 (4.94)***	-4.29 (-5.59)***	-3.92 (-4.82)***	-3.16 (-2.56)***
Number of observations	764	764	764	764	764

Substantive Effects of Controls

- Moving from the 25th percentile of population to the 75th increases the probability of separation by 4.2%
- Moving from the 25th percentile of surface area to the 75th increases the probability of separation by 6.6%



Predicted Probabilities of Historical Legacy and Years after Party Congress

Years after Party Congress	Province NOT presently at 1965 borders	Province presently at 1965 borders
1	9.67%	0.82%
2	6.36%	0.52%
3	4.10%	0.34%
4	2.70%	0.21%
5	1.72%	0.15%

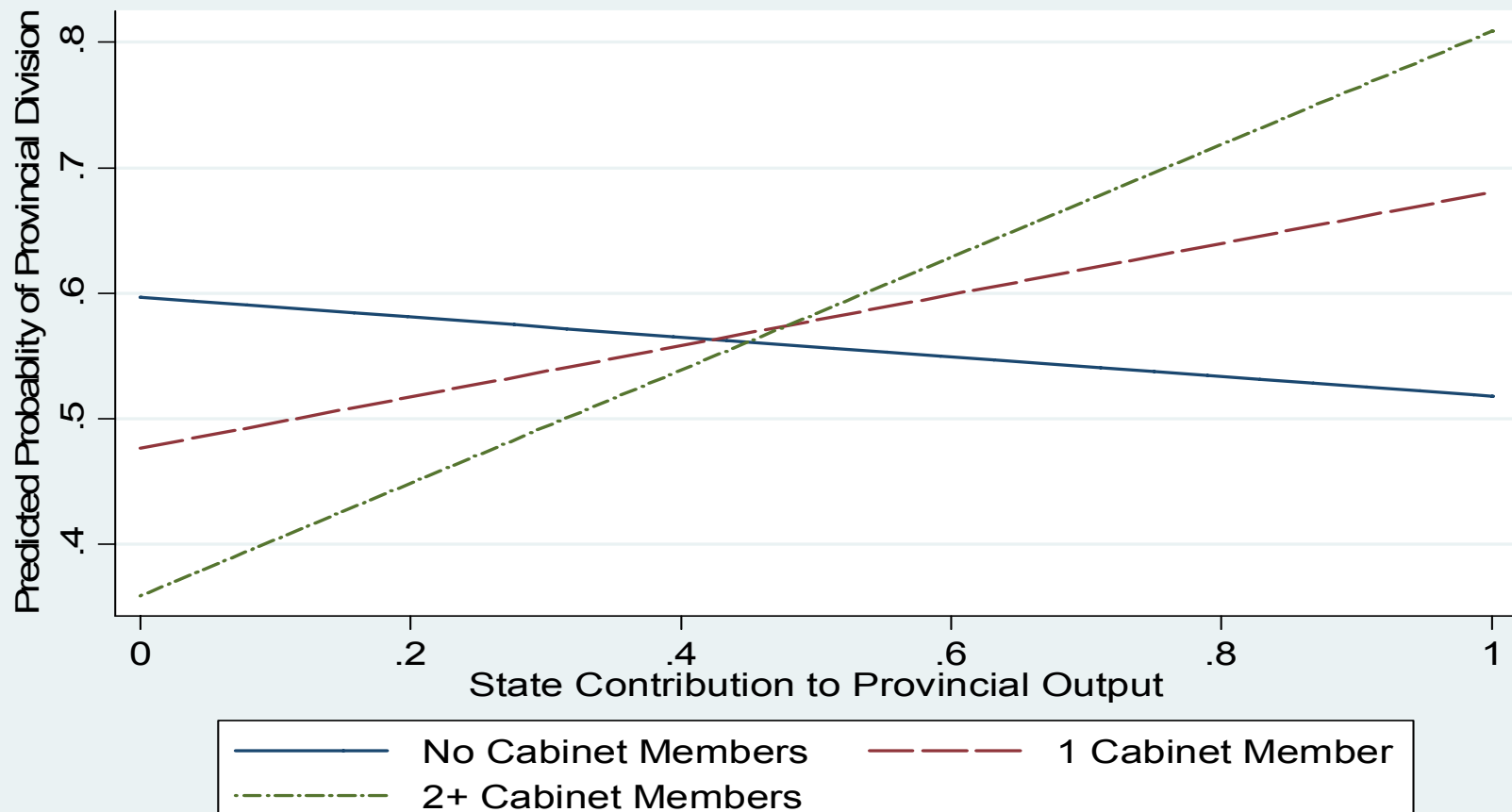
Interaction Effect

- At ideal structural separation conditions, a move from the mean to the 75th percentile of the SOE-Cabinet interaction increase the probability of separation by 36%.
- But what does a simultaneous shift in state sector and cabinet officials mean?
- Let's take a closer look...



Predicted Probability of Provincial Division

(By State Sector Output with Number of Cabinet Officials)



Contribution of covariates at 75th percentile



Tests of Other Observable Implications

- **Private Sector Orientation in Policy at Provincial-Level**
 - 4/6 provinces were non-state dominated provinces created by provincial separations. 2/6 were non-state provinces throughout the sample (Vietnam Provincial Competitiveness Index, 2005).
 - Non-state provinces have average score of 58.5 compared to 54.5 for state-dominated provinces on PCI.
 - “The density of SOEs in a province has a negative impact of private sector’s access to key resources and a negative influence on private sector growth in terms of firms and employment.” (Nguyen Van Thang, 2005).
- **Large Transfers to Newly Created Provinces.**
 - Split province receives 8.2% of GDP in Government Investment Contracts; Non-Split Province receives only 4.6%.
 - New provinces with compatriots serving in cabinet receive 9%.
 - Split provinces receive 13% of GDP in government transfers; Non-Split provinces receive 9%.
 - New provinces with compatriots serving in cabinet receive 15%.

Concluding Questions

- Is gerrymandering a sign of democratic development?
- What do we make of gerrymandering and its policy implications in a one-party state?

